

Charles & Paula Nugent

June 6, 2006

Dear Sir or Madam:

I am writing this letter because I am concerned about the proposed Business Opportunity Rule R511993. I believe that in its present form, it could prevent me from continuing as a Young Living Essential Oils Distributor. I understand that part of the FTC's responsibilities is to protect the public from "unfair and deceptive acts or practices," yet some of the sections in the proposed rule will make it very difficult, if not impossible, for me to sell Young Living products.

I have been a Young Living Distributor since 1997. Originally, I became a Distributor in this company because I felt the products were exceptional and I wanted to earn some additional income. It has afforded me the ability to purchase and own my very first home because working for someone else did not give me the cash flow to do it. The future of my family is dependent on the stability and ongoing ability to proceed unencumbered with overzealous restrictions to the direct selling industry.

One of the most confusing and burdensome sections of the proposed rule is the seven-day waiting period to enroll a new Distributor. Young Livings' sales kit only costs \$49.95. People buy TVs, cars, and other items that cost much more and they do not have to wait seven days. This waiting period gives the impression that there might be something wrong with the company or the compensation plan which would be like buying a GUN. I also think this seven-day waiting period is unnecessary, because Young Living already has a 100% buyback policy for all products including sales kits purchased by a salesperson within the last twelve months. Under this waiting period requirement, I will need to keep very detailed records when I first speak to someone about Young Living and will then need to send in many reports to my company headquarters. Also the crooks won't stop. They will forge and falsify and keep doing their illegal activities while the majority of us are penalized for their actions.

The proposed rule also calls for the release of **any** information regarding lawsuits involving misrepresentation, or unfair or deceptive practices. It does not matter if the company was found innocent. Today, anyone or any company can be sued for almost anything. It does not make sense to me that I would have to disclose these lawsuits unless Young Living is found guilty. Otherwise, Young Living and I are put at an unfair advantage even though Young Living has done **nothing** wrong.

Finally, the proposed rule requires the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser. I am glad to provide references, but in this day of identity theft, I will not give out the personal information of individuals to strangers. Do you think a bank would be in business very long with that kind of rule? You are advocating total chaos for this industry with a regulation like that which you propose. Also,

giving away this information could damage the business relationship of the references who may be involved in other companies or businesses including those of competitors. In order to get the list of the 10 prior purchasers, I will need to send the address of the prospective purchaser to Young Living headquarters and then wait for the list. I also think the following sentence required by the proposed rule will prevent many people from wanting to sign up as a salesperson - "If you buy a business opportunity from the seller, your contact information can be disclosed in the future to other buyers." People are very concerned about their privacy and identity theft. They will be adamantly reluctant to share their personal information with individuals they may have never met.

I appreciate the work that the FTC does to protect consumers, yet I believe this proposed new rule has many unintended consequences and there are less burdensome alternatives available to achieving your goals.

Thank you for your time in considering my comments.

Respectfully,  
Charles & Paula Nugent